Amendment of VAT system

†2841. SHRI PYARELAL KHANDELWAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government are bent upon implementing VAT' without full consent of State Governments;

(b) whether it is also a fact that traders from all over the country are agitating on being suspicious of VAT;

(c) if so, the reasons for adopting adamant attitude instead of finding peaceful solution of this matter by Government; and

(d) whether Government is considering to amend the present form of 'VAT' in view of country-wide protest?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) VAT is a State level tax reform measure, which was implemented with effect from 1st April, 2005 by most of the States. An Empowered Committee of State Finance Ministers has been set up to decide on all issues relating to implementation of State level VAT. The Empowered Committee of State Finance Ministers has decided to implement VAT and has finalized the VAT design, after prolonged deliberations and due consideration of advantages offered by the VAT system and concerns of all stakeholders including traders. Therefore, the question of Government of India being bent upon implementation of VAT without full consent of the State Governments does not arise.

(b) to (d) It is true that a section of the trading community is agitating against VAT. As State level VAT is a State subject, any decision to amend the present form of VAT is to be taken by the Empowered Committee of the State Finance Ministers. The Empowered Committee is seized of the issue and is looking into the genuine problems/concerns of traders.

Withdrawal of money through fake cheques in banks

†2842. SHRI DILIP SINGH JUDEV: Will the Minister of FINANCE be pleased to state:

(a) number of cases of withdrawal of money through fake cheques, demand drafts during the last three years and details of nationalised banks situated in Chhattisgarh and Madhya Pradesh where such cases have taken place;

†Original notice of the question was received in Hindi